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THE METHODS OF MAKING LOCAL AGREEMENTS EMPLOYED BY THE PATTERN MAKER'S ASSO- CIATION OF CHICAGO¹

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The methods of bargaining employed by the Pattern Makers' Association of Chicago are in many respects unique in the field of trade union experience. It is customary to look upon a trade union as an association that exists for the purpose of securing an agreement with employers through collective action. The terms of such agreements are ordinarily reduced to a written contract which govern the conditions of service, in respect to hours, wages, etc., for a specified period of time.

While the Pattern Makers' Association has a scale, all contracts are made with individual employers and the agreements are always verbal. The officials of the Chicago association claim that they have had but one strike in fourteen years and that this dispute was in reality a lockout rather than a strike. The strength of this organization lies in three things:

1. Pattern making is highly skilled work.
2. The small number of men ordinarily employed in a shop. Four or five men is the usual number found in a shop, although some shops in the city employ as many as sixteen or eighteen men.² The smaller number of men usually involved in a grievance renders the financial strain of maintaining these men till the dispute is adjusted less severe than for most unions. The largest jobbing shop in Chicago is one that the union itself assisted in establishing. The importance of this shop to the successful operation of the methods employed by this union will be described later.

3. Because the pattern makers are a small, compact group of skilled workmen, organization can be made more easily effective. The officers of the union estimate that there are about five hundred

¹ The information presented in this article was collected in connection with certain investigations made by the author for the United States Commission on Industrial Relations.

² According to a statement by the local officers, the Allis-Chalmers' plant at Milwaukee employs about 200 pattern makers, which probably makes this the largest pattern-making plant in the country.

pattern makers in the city of Chicago, and that 95 per cent of these are members of the union. On account of these conditions, and by means of apprenticeship and other rules, the union is able to maintain a more complete control over the supply of labor and the conditions of employment than is possible by many larger organizations.

In negotiating with employers, the local association exercises a large degree of freedom. The laws of the pattern makers' league, the national union in this industry, do set some limits on the action of local associations affiliated with the national union, but these rules do not place a very strict limitation on local activity. The most important rules of the league, are those governing apprenticeship,³ those prohibiting members from working on piece, premium, bonus, or contract work,⁴ and a declaration in opposition to strikes, and favorable to arbitration and conciliation as the best methods of adjusting grievances.⁵ The rule governing the procedure in the case of a grievance is as follows: the local association must, at a specially called meeting, decide by a two-thirds vote of the members present, to lay their case before the employers involved. The association must then notify the general president, who, either personally, or some representative of the league delegated by him, proceeds to the scene of the controversy and endeavors in conjunction with the local executive committee, to effect a settlement. Failing in this, a local may resort to a strike.⁶ This rule of the league is of slight consequence as a means of restricting independent local action. The only advantage that would accrue to the local by complying with the rule would be the strike benefits that the members would receive from the funds of the national body. As the number of members involved in any one dispute is so small, this rule can have little effect on the determination of local policy, even in times of a dispute. The local could carry the financial burden of a dispute, in case it saw fit to do so. However, as stated above, it is contrary to the policy of the Chicago association to engage in strikes. The league has another rule prohibiting overtime, "except in cases of absolute necessity,"⁷ which means prac-

³ Const. Pattern Makers' League (1913), p. 19.

⁴ *Ibid.* p. 22.

⁵ *Ibid.* p. 7.

⁶ *Ibid.* p. 17.

⁷ *Ibid.* p. 22.

tically nothing. There are no restrictions on local action in respect to wages and hours.

The wage scale of the Chicago Pattern Makers' Association varies for different kinds of shops. Two principal kinds of shops employ pattern makers. First, the general manufacturing plant that maintains its own pattern shop. Some of these shops in Chicago may employ only two or three men, while others may have as many as fourteen to sixteen men. Second, the jobbing houses. Many manufacturing plants find it more economical to let contracts for their patterns, rather than to attempt to run a shop of their own. The wage scale in the general manufacturing plants is fifty cents per hour. In some of the jobbing shops the scale is as high as sixty cents per hour.⁸

Lack of uniformity is found likewise in regard to the hours of work. Some plants work as few as eight hours per day, while others work eight and one-half and some as many as nine hours per day. The officers of the union stated that the pattern making department of the Illinois Steel plant works ten hours per day, but that this is a non-union shop and the conditions here are unusual.

The Chicago Pattern Makers' Association has a peculiar method of controlling the wage scale and conditions of employment. For many years when new demands were made, the men were told by the employers that the business could not stand the added expense. The union officers had no positive evidence as to the accuracy of this statement. At the present time, however, the officials of the union can know with reasonable accuracy what the cost of a pattern-making department should be to the employer. This information is obtained through the experience that the union has gained from its relations with the American Pattern and Model Company.

This company is incorporated under the laws of Illinois, and has been in operation now for a period of six years. The stockholders are all members of the Chicago Pattern Makers' Association. The company was formed by a subscription of shares on the following terms: the shares were issued in denominations of \$50. Any member of the Pattern Makers' Association desiring to take out a share of stock in the company could do so by the payment of \$5 down, and \$1 per week until the face value of the share had been paid in. In

⁸ This scale does not include the wages paid in the American Pattern and Model Company's shop, which is owned by members of the union.

this way the plant became a coöperative undertaking, owned and managed by members of the Pattern Makers' Association. This company is in direct competition with all other pattern-making establishments in Chicago. In fact, it is claimed that this is the largest jobbing plant in the city, as it employs between thirty and forty men. The shop is run with strictly union labor, which is paid the best wages, and is given the shortest hours possible. The latest safety devices are used, and the general conditions of employment are as satisfactory as they can be made. The wage scale in this shop is 62½ and 65 cents per hour, according to the grade of work, for an eight-hour day, with a half holiday on Saturdays. It is claimed that both wages and hours are more favorable than in any other shop in the city.⁹

While this shop is a private corporation, the peculiar relation of the union to its management gives the union a decided advantage in its bargaining with employers in other shops throughout the city. These advantages may be summarized as follows:

1. Reasonably accurate information concerning manufacturing can be obtained. Should an employer state that he could not afford to meet the demands of the men, the officers of the union would be in a position to know whether or not the employer was making a correct statement.

2. Should the employer refuse to accede to the demands, the men could be put to work in the shop of the American Pattern and Model Company. From the nature of this trade, it frequently happens that these same journeymen can go to the firm for whom they have been working, and secure a contract for the pattern work of this plant. The firm has known the work of this journeyman, and, if the firm was satisfied, very often the work will follow the journeyman. In this way, the journeymen may, in case of a dispute, actually increase the work of the American Pattern and Model Company. While it is true that the space controlled by this firm is limited, the officials of the union point to the possibility, although it has never been done, of renting additional space and of putting the men to work, if conditions in the industry warranted it. Even if the men were not put to work, they could be put on strike benefits. Whichever way the matter is handled, the effect on the employer is the same, for since the union has so large control over the skilled

⁹ The American Pattern and Model Company has constructed a new building at a cost of \$20,000. This new building has greatly increased the space and efficiency of its work. No dividends have been declared to date, as all of the earnings have been put back into the plant and equipment.

pattern makers, the employer is practically forced to get any additional workmen through the union. New men will not be furnished except at the rates demanded. This explains why it is not necessary for the pattern makers to strike.

The foregoing method can be used even though there is no dispute. Whenever the union decides that any particular shop is paying less, or working longer hours, than it should, the men may be withdrawn and put to work in their own shop. When the employer calls for more men, he is informed that the conditions as to wages or hours in his shop are not satisfactory. He is told that if he expects to hold his men, it will be necessary to pay a little more or to give his men better conditions. In this way, the union has used its relations with the American Pattern and Model Company to improve working conditions for its members.

The relation of the union to this company gives the union a line upon another problem in the industry. For a long time, one of the principal menaces to standard conditions was the small pattern maker, who would underbid the union scale in order to get a job. Having secured the contract he would work long hours, and, if he required help on the job, he would pay the lowest rates. More because of the hours worked than the wages paid, this small pattern maker was a disturbing factor to the industry. Two things are accomplished through the American Pattern and Model Company which are very useful to the union in its attempts to deal with this problem. Some of these small jobbers are members of the union. Frequently this fact is found out through the company, in this way. The company has submitted a bid on a job and fails to secure it. Being an interested party the officials of the company make inquiries as to who obtained the work. Thus, members of the Pattern Makers' Association, who are inclined to break down union standards, may be detected, and thereafter disciplined. In the second place, the jobbers may undertake to cut prices for jobbing work, with the view of underbidding the American Pattern and Model Company and thus driving the company out of business. However, the company has the advantage in competition of this character, because it does not have to earn a profit. The stockholders are more interested in continuous employment than in the dividends declared on their shares. Therefore, this company can afford to take work at cost of production and continue to operate

indefinitely on that basis. Besides, the small jobber cannot handle the larger orders, because he is not equipped either as to space, or tools, for handling the larger work, therefore, this kind of competition is restricted to the smaller jobs. The power of the union through its connections with this company, whether considered in its relation to the small jobbing competitor, or to the employer unwilling to pay the scale, is in a large measure a potential force. How extensively it is used depends upon the urgency of the case.

In this unique way, a small compact group of skilled workmen have organized and carry on regular trade union functions. Agreements with the employer, while conforming to the normal representative methods through union officials, are more completely individualized than is usual in collective trade union action. The agreement is always verbal, and because of the character of the work, it is frequently in respect to a particular man. It may happen that only a very few men are capable of making the kind of pattern specified. But whether this be the case or not, the officer of the union is called upon to furnish a specified number of men who are capable of doing a definite kind of work. Through its connections with the American Pattern and Model Company the union holds a strategic advantage in its endeavors to protect and improve working conditions, that is possessed by few, if any, other unions in the country. No attempt is here made to argue that the experience of this union can be extended successfully to other organizations. The information is presented to show what different methods may be employed by trade unions as aids in collective bargaining.